

**Memorandum**

To: Chairman William Keese, Presiding Member  
Commissioner, Arthur H. Rosenfeld,  
Associate Member

Date: July 9, 2004  
Telephone: (916) 654-4200  
File: 02-AFC-1

<b>DOCKET</b> <b>02-AFC-1</b>
DATE <u>JUL 09 2004</u>
RECD. <u>JUL 09 2004</u>

From: California Energy Commission - Bill Pfanner  
1516 Ninth Street  
Sacramento, CA 95814-5512

Siting Project Manager

*Bill Pfanner*

Subject: **STATUS REPORT FOR THE BLYTHE II ENERGY PROJECT (02-AFC-1)**

In its Scheduling Order dated February 4, 2004, the Committee determined that there are several topics for which the applicant must supply data in order for the Commission staff to have sufficient information to complete and file its Final Staff Assessment (FSA). The order determined that the information should be submitted by March 22, 2004. The specified information was not provided to the Energy Commission by the required date.

On March 23, 2004, staff submitted a Status Report to the Committee, identifying the specific information that was still outstanding, including: Air Quality, Biology, Cultural Resources, Land Use, Traffic and Transportation, Soil and Water Resources, Worker Safety/Fire Protection, and Transmission System Engineering (TSE). Staff also requested, and was granted, a day-for-day extension in the schedule until all outstanding information was submitted and complete.

It is critical to note to the Committee that staff has serious concerns that the project, as currently designed, could have significant unmitigated adverse impacts. In addition, because of turbulence caused by the Blythe I facility and the resulting potential impact to aircraft landing at the Blythe airport, staff has been examining the possible impact to aircraft safety from the Blythe II facility. We have been coordinating with other agencies and decided there is a need to expand the scope of our alternatives analysis to look at alternative sites. A final issue of concern is that without the transmission system impact studies from Western Area Power Administration (Western) and Southern California Edison (SCE), it cannot be determined by Energy Commission staff and the Cal-ISO whether the project will comply with laws, ordinances, regulations, and standards, and whether it would create impacts to the electric transmission system. Consequently, at this time staff could not recommend that the project be certified by the Commission. We recommend to the Committee that the FSA not be completed until the necessary information is received that would allow staff to fully analyze and discuss the potential adverse impacts of the project and to recommend mitigation measures. A Final Staff Assessment prepared with the information we have now and expect to receive in the next 30 days, would be incomplete and inconclusive.

The following provides an update of the status of the outstanding information necessary to complete the FSA and a discussion of the project's major unresolved issues.

PROOF OF SERVICE (REVISED 11-24-03) FILED WITH  
ORIGINAL MAILED FROM SACRAMENTO ON 7-9-04  
*E. Johnson*

## **INFORMATION REQUIREMENTS IN THE COMMITTEE ORDER**

### **Air Quality**

The Final Determination of Compliance (FDOC) to be provided by the Mojave Desert Air Quality Management District (MDAQMD) by the end of February.

**Status:** Appendix A of the Committee Order (2/4/04) assumed that the FDOC would be submitted to the Energy Commission by the end of February. The FDOC was received by the Energy Commission on May 10, 2004.

### **Biology**

The applicant shall coordinate with the City of Blythe and confirm whether there will be any project related activities outside the Blythe II fence-line. Following action by the City of Blythe to determine if there are project activities outside the fence-line, the applicant may provide a concurrence letter from the U.S. Fish and Wildlife Service (USFWS).

**Status:** The City of Blythe Project Review Committee (PRC) has verified the project conditions inside the BEP II project lines; however they have not confirmed if there will be any improvements outside the BEP II fence-line, such as road widening, new infrastructure, and physical improvements that were not considered in the Biological Opinion for the Blythe I project. The City is scheduled to take the BEP II site plan before the City Council on July 13, 2004. If it is determined that there are off-site improvements, staff will need to know the extent of those improvements and BEP II will need to coordinate with Western (as the Federal lead agency) and USFWS to ensure that all mitigation measures are appropriately identified and LORS are met.

### **Cultural Resources**

The City of Blythe shall determine through their PRC process whether there would be ground disturbing activities required outside of the project site (such as a new access road or widening existing roads).

**Status:** The City of Blythe PRC has verified the project conditions inside the BEP II project lines; however they have not confirmed if there will be any improvements outside the BEP II fence-line. The City is schedule to take the BEP II site plan before the City Council on July 13, 2004. If it is determined that there are any off-site improvements, staff will need to know the extent of those improvements and BEP II will need to coordinate with Western (as the Federal lead agency) to ensure that all mitigation measures are appropriately identified and LORS are met.

### **Land Use**

The applicant shall provide notification of action by the City of Blythe to over-ride the Airport Land Use Commission (ALUC) determination. BEP II must also receive from the City's PRC a recommendation regarding a height variance (exhaust stacks) and site plan approval for the project.

**Status:** On May 25th, the City of Blythe held a Public Hearing regarding intent to over-ride the Airport Land Use Commission decision regarding the location of the BEP II Project. During the public hearing, the City of Blythe staff made a presentation recommending that the City Council over-ride the ALUC decision with certain conditions. The City Council proceeded to send notice (45 day notice period) to the ALUC, CalTrans Aeronautical, and FAA of their intentions to approve the override. The override decision is scheduled to occur during the July 13, 2004 City Council Meeting

The City of Blythe conducted a Zoning Administrator Hearing on March 8, 2004 granting a height variance for the proposed project's exhaust stacks.

### **Traffic and Transportation**

The applicant shall provide confirmation from the City of Blythe of an alternative to Hobsonway to transport heavy or oversized loads to the site.

**Status:** The City has provided staff with the necessary information.

### **Soil and Water Resources**

**Evaporation Ponds:** BEP II shall provide a final determination of the waste discharge requirements, including the capacity of the evaporation ponds.

**Status:** BEP II has provided a revised application for the BEP II evaporation pond's Waste Discharge Requirements (WDRs) to the Regional Water Quality Control Board (RWQCB). Staff has received a copy and it is currently being reviewed. The California Regional Water Quality Control Board, Colorado River Basin Region, (Regional Board) is in the final review of the draft WDRs and expects to issue the WDRs by early July.

### **Worker Safety and Fire Protection**

The City of Blythe shall provide adequate relevant and specific information for staff by March 22<sup>nd</sup> to conduct a thorough analysis and make a determination regarding impacts to local fire protection and emergency services.

**Status:** The City of Blythe has completed a fire needs assessment for the BEP II Project, but has not yet submitted this assessment to staff. BEP II and the City expect to finalize discussions on the mitigation of impacts by mid July. BEP II will be making a contribution to the City of Blythe Community Benefits fund to provide for additional training and equipment.

## **INFORMATION CAITHNESS AGREED TO PROVIDE (NOT INCLUDED IN SCHEDULING ORDER)**

### **Transmission System Engineering**

At the January 22, 2004 Status Conference, and in subsequent conversations with staff, the applicant stated on the record that they would provide staff with certain necessary information. This includes information on the Interconnection request with Western and

the Request to Terminate with SCE. While the Interconnection request with Western was provided, the request to terminate with SCE has not been provided.

### **Stability and Short Circuit Studies**

At the meeting held April 2, 2004, copies of Stability and Short Circuit Studies were distributed to staff. However, the studies are not complete until breaker ratings are provided. Both staff and the applicant have requested the adjacent utilities provide breaker ratings. These breaker ratings are required for a complete study and are required prior to finishing the FSA.

### **Verification of Mitigation Measures for Criteria Violations**

Documentation of consensus, e.g., letters from the stakeholders (SCE, Western, Imperial Irrigation District (IID), Cal-ISO) and verification of mitigation measures for criteria violations is required prior to completion of the FSA.

### **Devers Import Nomogram**

Staff agrees that the East of River/Southern California Import Nomogram T-103 Version 6.1, dated February 6, 2004 is adequate mitigation for the impacts shown by the BART study subject to written verification by the applicable transmission stakeholders and the Cal-ISO. However, this mitigation may not be adequate for impacts shown in a Western or SCE System Impact Study (SIS).

## **ADDITIONAL INFORMATION NEEDED FOR A COMPLETE FSA**

### **Western Interconnection Studies**

Staff was recently advised that the Interconnection Study scope has been signed by Western and BEP II. The results of the SIS are necessary for staff to prepare a thorough and complete assessment of the project. It is anticipated that the study will be completed in August. Given that this study will be available soon, staff does not believe a FSA should be prepared without this critical information because the analysis would be incomplete and inconclusive, and the whole of the action uncertain.

### **SCE Interconnection Study**

BEP II has requested an Interconnection Study with SCE; however, the request to interconnect has not been signed by BEP II. Staff will need this information before the FSA can be prepared. The SIS is anticipated to be available in September, 2004. Given that this study will be available soon, staff does not believe a FSA should be prepared without this critical information as the analysis would be incomplete, the whole of the action uncertain, and we would be unable to secure the conclusions and recommendations of the Cal-ISO.

### **Cal-ISO Review and Recommendation**

To date, the Cal-ISO has indicated that it will not provide a preliminary approval or testimony in the Commission's proceedings until a SIS has been completed. Without the Western SIS and the SCE SIS, and without Cal-ISO input on system impacts and

mitigation, staff cannot testify that the project complies with LORS and will not create impacts to the electric transmission system.

### **Airport Safety**

The Energy Commission staff has compiled data on airplane safety concerns (letters from pilots, turbulence associated with thermal plumes, data on cooling tower ground fog, etc.) and conducted test flights over the existing Blythe I facility. This information was submitted to the City of Blythe, the Blythe II applicant, the operating Blythe I facility and Caltrans' Aeronautics Division on March 18, 2004 with a request for comments, conclusion, and implementation of mitigation measures regarding potential health and safety hazards. On March 24, 2004, staff received a response from Caltrans Aeronautics which stated: "In general, we do not recommend construction of this facility [Blythe II] at the proposed location. It may exacerbate existing concerns identified by pilots using the airport."

Some, but not all mitigation measures have been proposed in letters from the City of Blythe, Blythe I, Blythe II and Caltrans Aeronautics to address the problem, but to date, actions have not been implemented. However, Caltrans Aeronautics clearly states in their letter: "These recommendations should be considered "corrective action" for an existing facility, rather than "proactive" for a planned one. The focus of compatible land use planning in the vicinity of an airport should not be limited to "reducing significant/adverse impacts", but avoiding them in the first place."

### **A PROPOSED SCHEDULE FOR THE REMAINDER OF THE PROCEEDING**

The BEP II PSA has been circulated for review and comment. Written comments were due on December 18, 2003. BEP II provided comprehensive PSA comments on April 21, 2004 (except for Air Quality, which was submitted June 30, 2004). Energy Commission staff plans to hold the PSA workshop(s) after all the above noted outstanding information has been received.

As noted in this Status Report, staff has serious concerns that the project, as currently designed, could have significant unmitigated adverse impacts to airport safety and Colorado River ground water basin, and TSE. Therefore, we recommend to the Committee that the FSA not be completed until the necessary information is received that would allow staff to fully discuss the potential adverse impacts of the project and to recommend mitigation measures. A Final Staff Assessment prepared with the information we have now and expect to receive in the next 30 days would be incomplete and inconclusive.

The following table summarizes the status of the information that the Committee Order required the applicant to submit to staff by March 22<sup>nd</sup>, as well as the other information the applicant agreed to provide in order for staff to prepare the FSA.

<b>Information Requirements in the Committee Order (Attachment A)</b>		
<b>Subject</b>	<b>Information to be provided</b>	<b>Date information submitted (or expected)</b>
<b>Air Quality</b>	FDOC	May 10, 2004
<b>Biology</b>	City PRC recommendation Western determination USFWS concurrence	Expected mid July Expected August Expected September
<b>Cultural Resources</b>	City PRC recommendation Western compliance	Expected mid July Expected late July
<b>Land Use</b> ALUC Height Variance	City PRC recommendation City PRC recommendation	Expected mid July Submitted 4/21/04
<b>Traffic and Transportation</b>	City PRC recommendation	Submitted 4/21/04
<b>Soil and Water Resources</b>	RWQCB	Expected early July
<b>Fire Protection</b>	City of Blythe	Expected mid July
<b>TSE: Interconnection Studies</b> <b>Short Circuit and Stability</b>	Western SCE Applicant	August. 2004 Sept. 2004
<b>Verification of Mitigation Measures</b>	SCE, Western, IID, Cal-ISO	Unknown

cc: Docket (02-AFC-1)  
Proof of Service List